City of Tacoma **City Council Action Memorandum**

TO: **Elizabeth Pauli, City Manager**
FROM: **Kathryn Johnston, Budget Officer**
Andy Cherullo, Finance Director
COPY: **City Council and City Clerk**
SUBJECT: **Ordinance - 2023-2024 Capital Budget Biennium-End Modification - December 10, 2024**
DATE: **November 19, 2024**

SUMMARY AND PURPOSE:

Modifying the 2023-2024 Capital Budget to appropriate funds, adjust project budgets, and implement additional changes in transfers and other budget adjustments as outlined in the attached exhibits. This action will also show additional estimated revenues.

BACKGROUND:

At the end of each biennium, it is necessary for City staff to obtain from City Council authority to perform various financial transactions prior to the close of the biennium to ensure that fund accounting meets GAAP (Generally Accepted Accounting Principles) and the City's financial policies. Modifications generally recognize new revenues, budget for resolutions already passed by the City Council, adjust for changes that have occurred over the course of the biennium, and make needed corrections to the budget. The adjustments outlined in the attached exhibits will increase expenditure budgets (appropriations) and revenues to align them with updated capital project conditions and projections.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

The Office of Management and Budget worked in partnership with departments to evaluate funds that would need changes in appropriation level to align with conditions and projections.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility:
The biennium-end modification gives legal spending authority to City Departments to support all City Council Priorities.

ALTERNATIVES:

City Council could choose not to appropriate the requested adjustments. Not adjusting these budgets could result in the City to be out of compliance with GAAP principles and the City's Financial Policies.

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Do not appropriate requested adjustments	None	The City would be out of compliance with GAAP principals and City Financial Policies.

EVALUATION AND FOLLOW UP:
No follow up will be necessary.

STAFF/SPONSOR RECOMMENDATION:
It is recommended that the Capital Budget be amended as set forth in Exhibits "A" and detailed in Exhibits "B."

FISCAL IMPACT:
The ordinance will set appropriation for all Capital funds for 2023-2024, as outlined in Exhibit "A."

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
Multiple - See Exhibits			
TOTAL			

What Funding is being used to support the expense?
Various - See Exhibits

Are the expenditures and revenues planned and budgeted in this biennium's current budget?
NO, PLEASE EXPLAIN BELOW
This ordinance adjusts the biennium budget so that the expenditures and revenues will be planned and budgeted.

Are there financial costs or other impacts of not implementing the legislation?
YES

Will the legislation have an ongoing/recurring fiscal impact?
NO

Will the legislation change the City's FTE/personnel counts?
NO

ATTACHMENTS:
- Exhibit A
- Exhibit B